SUPREME COURT OF THE UNITED STATES.

No. 5.—October Term, 1939.

Harry H. Woodring, Secretary of War, and H. A. A. Smith, General Purchasing Officer and Chief of Washington Office, Panama Canal, Petitioners,
vs.
Justus S. Wardell, Receiver, District National Bank of Washington, D. C.

On Writ of Certiorari to the Court of Appeals for the District of Columbia.

[March 25, 1940.]

Mr. Justice Frankfurter delivered the opinion of the Court.

This is a companion case to *Inland Waterways Corporation* v. *Young*, No. 6, decided this day. The District National Bank pledged some of its assets to secure deposits made by the Secretary of War on behalf of the Panama Canal Zone. The Bank became insolvent in 1933, and the pledged assets were sold. Respondent, the Bank's receiver, brought this action to recover that part of the proceeds which represented an amount in excess of dividends paid to the ordinary depositors. The District Court held that the pledges were *ultra vires* and gave judgment for the respondent. The Court of Appeals affirmed. 100 F. (2d) 690.

For the reasons stated in *Inland Waterways Corporation* v. *Young*, *ante*, we are of opinion that the pledges given by the Bank were valid, and that the judgment below should be

Reversed.

The Chief Justice, Mr. Justice McReynolds and Mr. Justice Roberts, for the reasons set forth in their dissenting opinion in *Inland Waterways Corp.* v. *Young*, No. 6 *ante*, dissent here.

Mr. Justice Reed and Mr. Justice Murphy took no part in the disposition of this case.